



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

November 17, 2023

The Honorable Tim Walz
Governor of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

The Honorable Willie Jett
Commissioner of Education
Minnesota Department of Education
400 NE Stinson Blvd.
Minneapolis, MN 55413

Dear Governor Walz and Commissioner Jett:

I am writing in response to the March 13, 2023, request from the Minnesota Department of Education to the U.S. Department of Education (Department) for a waiver of the maintenance of effort (MOE) requirements in section 317(a) of the Coronavirus Response and Relief Appropriations Act, 2021 (CRRSA Act) and section 2004(a)(1) of the American Rescue Plan Act of 2021 (ARP Act). As a condition of receiving CRRSA Act and ARP Act pandemic relief funds under the Education Stabilization Fund, Minnesota assured it would maintain effort for both elementary and secondary education and higher education in each of fiscal years (FYs) 2022 and 2023.

More specifically, for FY 2022, section 317(a) of the CRRSA Act requires a State that received Elementary and Secondary School Emergency Relief funds (ESSER II), Governor's Emergency Education Relief funds (GEER II), and funds for the Emergency Assistance to Non-Public Schools (EANS) program to: 1) maintain State support for elementary and secondary education at least at the proportional level of the State's support for elementary and secondary education relative to the State's overall spending, averaged over FYs 2017, 2018, and 2019; and 2) maintain State support for higher education at least at the proportional level of the State's support for higher education relative to the State's overall spending, averaged over FYs 2017, 2018, and 2019. This MOE requirement also applies to ARP ESSER funds, and Section 2004(a)(2) of the ARP Act allows the Department to grant a waiver of the MOE requirements "for the purpose of relieving fiscal burdens incurred by States in preventing, preparing for, and responding to the coronavirus."

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

Under the authority of section 2004(a)(2) of the ARP Act, I am approving Minnesota's request to waive the MOE requirements in section 317(a) of the CRRSA Act and section 2004(a)(1) of the ARP Act with respect to State support for elementary and secondary education to relieve fiscal burdens incurred by the State for FY 2022.

As indicated in the Department's Frequently Asked Questions document, the Department's approach to MOE waiver requests is rooted in consideration of the impact on students. In reviewing Minnesota's waiver request, the Department considered all information and data included, as well as the totality of the circumstances. Based on the information submitted, the Department determined that, consistent with the Department's interest in a State's commitment to education spending, Minnesota made increased investments in elementary and secondary education. Specifically, Minnesota increased State support for elementary and secondary education overall and on a per-pupil basis in FY 2022 compared to the baseline years.

Despite these facts, based on Minnesota's submission, the State failed to meet MOE requirements by approximately 1.25 percentage points (\$188.6 million) in FY 2022, compared with the baseline years. Factors contributing to the decrease in proportional education spending included a one-time investment related to the unemployment insurance program to maintain a safety net for workers in the wake of the pandemic and a 1.3 percent drop in student enrollment compared to the baseline years.

Considering the totality of the circumstances, including the State's ongoing commitment to support elementary and secondary education and the State's demonstration of fiscal burdens incurred in responding to the coronavirus pandemic, the Department determined that approval of the waiver of the FY 2022 requirements is appropriate. Please note that this waiver is distinct from any determination the Department may make concerning Minnesota's compliance with maintenance of equity requirements for FY 2022 under the ARP Act (§ 2004(b)). Based on data provided by the State, Minnesota has not yet complied with the maintenance of equity requirements in FY 2022 for three high-need local educational agencies (LEAs). Minnesota must make supplemental payments to these high-need LEAs that experienced disproportionate per-pupil funding in FY 2022. Please advise the Department when these payments have been made.

Thank you for your ongoing commitment to education. If you have any questions, please contact the Minnesota State Mailbox at: Minnesota.OESE@ed.gov.

Sincerely,

Laura Jimenez

Laura Jimenez
Director, Office of State and Grantee Relations